

Statewide Pricing Pilot, Track B

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Study Challenges

- Zone 1.
- Low electric appliance saturation, particularly in the summer months.
- Large households (3.5 versus 3.2 statewide).
- Low incomes/high CARE participation.

Track B Pilot Research Goals

- Are SF pilot participants more responsive to information/education than the (Richmond) control group or Track A participants?
- What is the relative effect of information vs. price signals on Track B participants? Does it differ from Track A?
- What factors influenced Track B participants to respond as they do?

Track B Study Area

Map of south-east SF with study area highlighted



Pilot Design

- Two “treatment” groups were studied in San Francisco—one received the Track A critical peak pricing (CPP-F) rate and community-based information/education; the other received only community-based information/education (i.e., no price signals).
- The Richmond group received the CPP-F rate and the same information provided to comparable Track A participants.
- The experiment didn’t include a standard-rate control group in Richmond thereby reducing the ability to conduct analyses across all treatment groups.

Key Findings

- A comparison of average use rates indicate that participants who received a price and enhanced information (i.e., BO2) showed larger changes relative to price-only (i.e., BO3) than to info-only (i.e., BO1) during the initial summer and winter.
- The info-only (i.e., BO1) customers appeared to choose to conserve in response to information/education, but did not shift.
- While the regression results are difficult to interpret, the information/education effect was most clear during the winter, when San Francisco has its largest discretionary load.

Key Findings (continued)

- **Track B's community-based enhanced education/information interventions appeared to be more effective than Track A in communicating key program elements.**
 - 38% of the Track B Info-Only participants exhibited a "high/medium-high" understanding of the program, compared to 29% or less for the Track A Info-Only.
- **Track B customers elected to stay on the CPP rate at significantly higher rates compared with the other SPP participant groups, including Track B Richmond customers.**
 - 55% of Track A participants apparently chose to remain on the CPP-F rate.
 - 72% of San Francisco Track B customers.

Other Interesting Outcomes

- As suggested by the Momentum survey, a small number of pilot participants may have been responsible for a large proportion of shifting behavior (e.g., four Track B participants cut their electricity use in half in response to CPP calls, and one of these reduced their demand by two-thirds during the Winter period).
- Role of CARE

Next Research Steps

- Whether enhanced information influences increased demand elasticity and reduced opt-out rates as part of CPP-F programs could be examined over the long-run.
- In-depth focus groups of Richmond and San Francisco participants could be conducted at the end of 2005.
- Whether Track B provided a cost-effective approach to achieving changes in electricity use patterns over the long-term.